

---

# **Tobin & Co.**

Milton Township

Antrim County, Michigan

Audit Report

For the Year Ended March 31, 2006

# Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Milton Township	County Antrim
Audit Date 3/31/06	Opinion Date 9/25/06	Date Accountant Report Submitted to State: 9/29/06	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

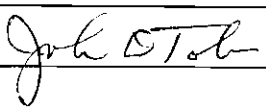
- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☒ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

**TOBIN & CO., P.C.**

400 E. EIGHTH ST.

TRAVERSE CITY, MI 49686-2668

Certified Public Accountant (Firm Name)			
Street Address 231-947-0151		City	State ZIP
Accountant Signature 		Date 9/28/06	

# Tobin & Co.

## Table of Contents

### INTRODUCTORY SECTION

Comments and Recommendations	4 - 6
------------------------------	-------

### FINANCIAL SECTION

Accountant's Report	8
Management's Discussion and Analysis	9 - 11

#### Basic Financial Statements

Government-wide Financial Statements:	
Statement of Net Assets	12
Statement of Activities	13

Governmental Funds:	
Balance Sheet	14
Statement of Revenues, Expenditures and Changes in Fund Balances	15
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances	16

Fiduciary Funds	
Statement of Fiduciary Net Assets	17

Notes to Basic Financial Statements	18 - 23
-------------------------------------	---------

### SUPPLEMENTAL DATA SECTION

Required Supplementary Information:	
Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
1 – General Fund	25 - 28
2 – Fire Fund	29

Non-major Governmental Funds:	
3 – Combining Balance Sheet – All Non-Major Funds	30
4 – Combined Statements of Revenues, Expenditures and Changes in Fund Balance – All Non-Major Funds	31
5 – Statement of Changes in Assets and Liabilities – Current Tax Collection Fund	32

Other Supplementary Information:	
6 – 2005 Property Tax Levy and Collection	33
7 – Statement of Revenues and Expenditures and Balance – Property Tax Administration Fees	34

# **Tobin & Co.**

## INTRODUCTORY SECTION

# **Tobin & Co.**

## Comments and Recommendations

We have audited the basic financial statements of Milton Township, Antrim County, for the year ended March 31, 2006 and have issued our report thereon. As part of our examination, we made a study and evaluation of the Township's system of internal accounting control to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards. The purpose of our study and evaluation was to determine the nature, timing and extent of the auditing procedures necessary for expressing an opinion on the Township's financial statements. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole.

Our study and evaluation made for the limited purpose described above would not necessarily disclose all material weaknesses in the system. Accordingly, we do not express an opinion on the system of internal control of Milton Township taken as a whole. As a result of our examination, we respectfully submit the following comments and recommendations.

### General

When we began our audit, the cash account balances of the Clerk and Treasurer were not in balance. A member of our staff reconciled the records for the entire fiscal year. There were many corrections that were necessary, and those adjustments were made. Further, those adjustments had to be made before we could begin our audit.

The Treasurer and the Clerk should present written reports to the Board each month. The Treasurer's report should show all bank balances and a breakdown of the balances by fund. The Clerk's reports should include a report of revenues and expenditures compared to budgets and a balance sheet in which the cash balances agree with the Treasurer's report. With these reports available, the Board can make financial decisions based on current, accurate financial data.

In addition, when we first arrived to begin our audit, there were negative balances of \$66,797 and \$43,180 in the current tax collections account and the property tax administration fee account, respectively. From a standpoint of fiscal management of the Township, it is imperative that cash balances be reconciled currently and that account balances be properly posted and adjusted.

### Budgets and Procedures

The Township prepared and adopted budgets for all funds. In the General Fund, several cost centers exceeded their expenditure budgets. This violates the provisions of the Uniform Budgeting Act, and greater care should be exercised in the future over this important area.

### Bank Accounts

All Township deposits are at one bank, and of those funds \$1,212,554 is uninsured by the Federal Deposit Insurance Corporation at March 31, 2006. While we are not recommending any modification to existing bank relationships, the Board should continue to be aware of this fact and monitor the safety of the Township's assets.

The Township has a savings account for Weathertop Special Assessment District at Alden State Bank. This account is not on the Clerk's general ledger. If all accounts on the Treasurer's monthly report had been reconciled with the Clerk's records this would have been corrected before our audit. The account was opened by the former Treasurer and was not in the Treasurer's records when the current Treasurer took office. This account was brought to the attention of the Treasurer during last year's audit, and, apparently, the Clerk was not informed at that time.

### Government-wide Financial Statements

The total net assets of the Township were \$2,894,086 at March 31, 2006. Of this total, \$1,549,354 consists of the undepreciated cost of capital assets, net of related debt, and \$1,074,326 is unrestricted and may be used for the general operation of the Township.

The net assets of the Township increased by \$114,064 as indicated in the Statement of Activities for the year ended March 31, 2006.

### General Fund

The General Fund is presented on Schedule 1. The fund balance decreased during the year by \$36,511 and amounted to \$424,346 at March 31, 2006.

### Fire Fund

This fund, presented on Schedule 2, is used to account for a special voted levy for fire protection. The Fund balance increased by \$135,817 during the year, and the ending Fund balance was \$524,463. Arrangements are being made to purchase a new fire truck which will use a substantial portion of the Fire Fund balance.

# **Tobin & Co.**

## Comments and Recommendations

### Liquor Law Enforcement Fund

This Fund, presented on Schedules 3 and 4, is used to account for liquor license refunds from the State of Michigan. These fees may be used only to enforce the State liquor laws. The Fund balance at March 31, 2006 was \$6,547.

### Park Fund

This Fund, presented on Schedules 3 and 4, was created to account for transactions relating to the Township parks. Revenues amounted to \$63,736. The Fund balance at March 31, 2006 was \$11,129.

### Special Revenue Funds

The Township should create a Special Revenue Fund to account for revenues received for the Metro Act. The new fund will be similar to the Fire Fund.

### Property Tax Administration Fees

As permitted by statute, Milton Township levied a 1% administration fee on all 2005 property taxes. This fee may be used only for such property tax administration expenses as assessing, collecting, and the review and appeal process. As noted on Schedule 6, the accumulated excess of expenses over fee collections at March 31, 2006 was \$94,066. Costs allocated to the administration fee should be reviewed each year. This excess cost increased significantly during the year.

### Property Tax Collections

The collection of the 2005 tax levy has handled well by the Township Treasurer. Paid receipts were filed in order of payment, and deposits appeared to be made timely and intact. Distributions were made to taxing units at March 31, 2006. These distributions should be made soon after the Treasurer settles with the County Treasurer.

Delinquent 2004 taxes were receipted on April 30, 2005 (Receipt #2538) and included delinquent Library taxes of \$5,796.39 and Ambulance taxes of \$2,374.55. The Ambulance taxes were distributed to Elk Rapids Township on March 22, 2006, and we were unable to determine that the Library taxes were distributed.

On March 31, 2006 \$693,586.02 was transferred from the Current Tax Account to the General Account and was receipted in on Receipt #2694. The amount transferred included delinquent taxes which had been turned over to the County Treasurer for collection. The Property Tax Administration Fees included in the transfer were \$14,859.53 which was the only receipt in the General Fund for the year for Property Tax Administration Fees. At March 31, 2006 the remaining balance in the Current Tax Account was \$30,724.55 and the Property Tax Administration Fees collected during the summer tax collection, which amounted to \$50,528.56, had not yet been distributed to the General Fund. This PTAF shortfall is directly attributable to distribution of delinquent taxes from the Current Tax Account when those taxes had not been collected and deposited in that account. It is imperative that distributions include only amounts that have been collected on behalf of each of the taxing units.

The District Library levies real and personal property taxes for the operation of the Elk Rapids District Library. The Library taxes collected by the Township should be distributed directly to the District Library and not run through the Township General Fund.

The 2004 current taxes for the Ambulance Service were not distributed until March 6, 2006 with check number 17729. All current tax distributions should be made no later than March 31<sup>st</sup> following the property tax collection period.

### Capital Assets

Capital assets are required to be depreciated over their useful lives with the undepreciated cost presented in the Statement of Net Assets.

### Insurance and Surety Bond Coverage

Records reflect that the Township has such coverage as fire and extended coverage, general liability, equipment, errors and omissions, crime and workmen's compensation. Coverage was reviewed during the audit year. The Clerk, Treasurer, Deputy Clerk, Deputy Treasurer, have surety bond coverage.

### Inter-fund Loans

There were no inter-fund loans during the year.

# **Tobin & Co.**

## Comments and Recommendations

### Payroll Procedures

For the most part, payroll records appeared to be in proper order. Computerized records are being utilized in calculating and issuing paychecks and generating information for payroll tax reports. We did encounter an unusual situation, however. The payroll register on file for the April 3, 2006 payroll had the Treasurer's gross pay listed of \$2,151.05. The gross pay in the salary resolution called for a monthly pay of \$2,106.75 and the payroll register, which was run on August 24, 2006 for the April 3, 2006 payroll had the Treasurer's gross pay listed as \$2,106.05. The check actually cleared the bank account for the higher amount. It appears that the difference may have to do with a \$45.00 meeting fee paid to the Treasurer for attending a Zoning Board of Appeals meeting. Meeting fees paid to elected officials are only allowable if they are part of the salary resolution passed before each fiscal year. You should verify that your salary resolutions properly reflect what is being paid to elected officials.

### Cash Disbursements

There are periodic purchases by Township employees at the Village Market. We were not able to find purchase receipts or register tapes identifying the purchases. If supporting documentation does not exist, Township funds should not be used to pay the amounts on the statement.

On December 12, 2005 a payment was made with check 17567 to Torch Riveriera, and on January 6, 2006 a payment was made with check 17612 to Lessard's Trophys. These appear to be illegal expenditures.

The Township is paying John Riegler \$100.00 per month for a "gas allowance". These payments are taxable income to Mr. Riegler unless he provides the Township with specific documentation that those funds were used on Township business.

### Other Data

We were pleased to note the use of interest bearing accounts which resulted in earned interest of nearly \$27,280 for the audit year. We commend efforts of the Treasurer and Board members in this important area of financial management.

After completion of our audit, we will submit the necessary copies of our report to the State Department of Treasury.

We appreciate the courtesy extended our field auditor in the conduct of this audit.

Your confidence is respected. Please contact us if questions arise or assistance is needed.

---

# **Tobin & Co.**

## FINANCIAL SECTION



---

# Tobin & Co.

## REPORT OF INDEPENDENT AUDITOR

To the Township Board  
Milton Township  
Antrim County  
Kewadin, Michigan 49648

We have audited the accompanying financial statements of the governmental activities and each major fund of Milton Township as of and for the year ended March 31, 2006, which collectively comprise the Township's basic financial statements, as listed in the Table of Contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly in all material respects, the respective financial position of the governmental activities and each major fund of Milton Township at March 31, 2006, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information required by the GASB. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Table of Contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements of Milton Township. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

*Tobin & Co., P.C.*

TOBIN & CO., P.C.  
Certified Public Accountants  
September 25, 2006

# Tobin & Co.

## MILTON TOWNSHIP MANAGEMENT'S DISCUSSION AND ANALYSIS

As the Township Administrative Officials of the Milton Township, Antrim County, we offer readers of the township's financial statements this narrative overview and analysis of the financial activities of Milton Township for the fiscal year ended March 31, 2006.

### Financial Highlights

The assets of Milton Township exceeded its liabilities at the close of the most recent fiscal year by \$2,894,086. Of this amount, \$1,074,326 may be used to meet the Township's ongoing obligations to citizens and creditors.

As of the close of the current fiscal year, Township's governmental funds reported combined ending fund balances of \$1,038,860, an increase of \$72,671 in comparison with the prior year. The total amount is available for spending at the Township's discretion.

At the end of the current fiscal year, unreserved fund balance for the general fund was \$424,346, or 61% of total general fund expenditures.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Milton Township's basic financial statements. The Township's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information, in addition to the basic financial statements themselves.

#### 1. Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-section business.

The **statement of net assets** presents information on all of the Township's assets and liabilities, with the difference between the two reported as **net assets**. Over time, increases or decreases in net assets may serve as a useful indicator of whether the Township's financial position is improving or deteriorating.

The **statement of activities** presents information showing how the Township's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, earned but unused credits, and used but not paid expenses).

Both of the government-wide financial statements distinguish functions of the Township that are principally supported by taxes and intergovernmental revenues (**governmental activities**) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (**business-type activities**). The governmental activities of the Township include: General Government, Public Safety, Road Projects, Recreation and Culture, and Township Improvements. Milton Township does not have any business-type activities (examples would include water and sewer, golf courses, etc.).

#### 2. Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Milton Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Milton Township are categorized as governmental funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

# **Tobin & Co.**

Milton Township maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Fire Fund, which are considered to be major funds. All Township government activities are included in these six funds.

The Township adopts an annual appropriated budget for its general fund and special revenue funds. A budgetary comparison statement has been provided for the general fund and other major funds to demonstrate compliance with this budget.

### **3. Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

#### **General Fund Analysis and Highlights**

The general fund is the chief operating fund of the Township. At the end of the current fiscal year, unreserved fund balance of the general fund and the total fund balance was \$424,346. Unreserved fund balance represents 61% of total general fund expenditures for the year.

The fund balance of the Township's general fund decreased by \$36,511 during the current fiscal year.

Differences between the original budget and the final amended budget were minimal. No increase or decrease in appropriations of the total budget was made during the year. The total dollars spent in general fund activities was \$25,582 less than appropriated.

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services

#### **Analysis of Balances and Transaction of the Other Township Funds**

The Fire Fund is maintained by a special assessment district millage of one mil. These funds can only be used in conjunction with our Fire Department operations. Property taxes collected during the year amounted to \$243,784. At the end of the current fiscal year, the total fund balance was \$524,463. This fund increased by \$135,817 over the previous fiscal year's fund balance.

#### **Capital Asset and Debt Administration**

##### **Capital Assets**

The Township's investment in capital assets for its governmental activities as of March 31, 2006, amounts to \$1,542,283. This investment in capital assets includes: several parcels of land, Township Hall, Fire and Rescue Barns, Fire and Rescue Trucks and Equipment, and Office Furniture and Equipment. All of our government funds report capital outlays as expenditures. However, in the government-wide financial statements, the cost of the assets is allocated over their useful life. This fiscal year the amount by which capital outlays exceeded depreciation was \$10,885.

The Parks Fund is used for operations and improvements to Township parks. The principal revenue source for this fund is cable television franchise fees which amounted to \$25,486 for the year. The ending fund balance was \$11,129.

##### **Cash Assets**

At the end of the current fiscal year, the Township had \$1,217,771 in cash and other spendable assets. Of this amount, \$394,273 (32%) was held in Money Market Funds and certificates of deposit and was earning interest; the remainder is held in the Township's checking accounts. The Township is limited by State law in how it can invest these funds, and we have made no changes in our investment strategy in several years.

##### **Long-term Debt**

At the end of the current fiscal year, the Township had bonded and installment debt outstanding of \$334,124. This was incurred in connection with the acquisition of land, construction of the fire hall, and a special assessment district road improvement.

##### **Pension Plan**

The Township has a defined contribution retirement plan for all elected officials and full-time employees (not firemen and seasonal employees). The Township makes contributions equal to 10% of each covered employee's wage. This is an expensed item in the budget and totaled \$16,551 for the fiscal year.

# **Tobin & Co.**

## **Requests for Information**

This financial report is designed to provide a general overview of Milton Township's finances for all those with an interest in the Township's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Mr. Lon Barge, Supervisor, Milton Township, 7023 Cherry Avenue, Kewadin, MI 49648 (231-264-6612).

# Tobin & Co.

## Milton Township Statement of Net Assets March 31, 2006

		Governmental Activities And Total
<u>Assets</u>		
Cash and Cash Equivalents		\$ 1,217,771
Special Assessment Receivable:		
Current		22,333
Deferred		248,073
Taxes Receivable		35,466
Capital Assets:		
Land	\$ 388,618	
Other Capital Assets, Net of Depreciation	<u>1,153,665</u>	1,542,283
Intangible Assets, Net of Amortization		<u>341,195</u>
Total Assets		<u>3,407,121</u>
<u>Liabilities</u>		
Accounts Payable and Accrued Expenses		73,970
Undistributed Taxes		104,941
Long-term Liabilities:		
Due Within One Year		39,280
Due in More Than One Year		<u>294,844</u>
Total Liabilities		<u>513,035</u>
<u>Net Assets</u>		
Invested in Capital and Intangible Assets, Net of Related Debt		1,549,354
Restricted for:		
Special Assessments		270,406
Unrestricted		<u>1,074,326</u>
Total Net Assets		<u>\$ 2,894,086</u>

See Accompanying Notes to Basic Financial Statements

# Tobin & Co.

## Milton Township Statement of Activities March 31, 2006

Functions/Programs	<u>Expenses</u>	<u>Charges For Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities and Total</u>
Governmental Activities:				
Legislative	\$ 30,731	\$ -	\$ -	\$ (30,731)
General Government	388,049	49,552	-	(338,497)
Public Safety	141,371	-	-	(141,371)
Public Works	159,772	-	-	(159,772)
Recreation and Cultural	144,090	-	-	(144,090)
Interest on Long-Term Debt	<u>10,474</u>	<u>-</u>	<u>-</u>	<u>(10,474)</u>
Total Governmental Activities	<u>\$ 874,487</u>	<u>\$ 49,552</u>	<u>\$ -</u>	<u>(824,935)</u>
General Revenues:				
Property Taxes				702,210
Grants and Contributions Not Restricted to Specific Programs				147,075
Unrestricted Investment Earnings				27,280
Miscellaneous				<u>62,434</u>
Total General Revenues				938,999
Change in Net Assets				114,064
Net Assets – Beginning				<u>2,780,022</u>
Net Assets – Ending				<u>\$ 2,894,086</u>

See Accompanying Notes to Basic Financial Statements

# Tobin & Co.

## Milton Township Balance Sheet Governmental Funds March 31, 2006

	General	Fire	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>				
Cash and Cash Equivalents	\$ 603,257	\$ 524,463	\$ 90,051	\$ 1,217,771
Special Assessment:				
Current	-	-	22,333	22,333
Deferred	-	-	248,073	248,073
Taxes Receivable	<u>21,491</u>	<u>13,975</u>	<u>-</u>	<u>35,466</u>
Total Assets	<u>\$ 624,748</u>	<u>\$ 538,438</u>	<u>\$ 360,457</u>	<u>\$ 1,523,643</u>

### Liabilities and Fund Balances

Liabilities:				
Accounts Payable	\$ 66,151	\$ -	\$ -	\$ 66,151
Wages, Pension, and Payroll Taxes	7,819	-	-	7,819
Undistributed Taxes	104,941	-	-	104,941
Deferred Revenue	<u>21,491</u>	<u>13,975</u>	<u>270,406</u>	<u>305,872</u>
Total Liabilities	<u>200,402</u>	<u>13,975</u>	<u>270,406</u>	<u>484,783</u>
Fund Balances:				
Reserved				
Unreserved	<u>424,346</u>	<u>524,463</u>	<u>90,051</u>	<u>1,038,860</u>
Total Fund Balances	<u>424,346</u>	<u>524,463</u>	<u>90,051</u>	<u>1,038,860</u>
Total Liabilities and Fund Balances	<u>\$ 624,748</u>	<u>\$ 538,438</u>	<u>\$ 360,457</u>	

Amounts reported for governmental activities on the statement of net assets are different because:

Capital and intangible assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 1,883,478

Property taxes receivable are not deferred in the statement of net assets. 35,466

Long-term liabilities do not use current financial resources, and therefore, are not reported in the funds. (334,124)

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. 270,406

Net assets of governmental activities. \$ 2,894,086

See Accompanying Notes to Basic Financial Statements

# Tobin & Co.

Milton Township  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended March 31, 2006

	<u>General</u>	<u>Fire</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>				
Taxes	\$ 450,842	\$ 243,784	\$ -	\$ 694,626
Licenses and Permits	5,325	-	25,486	30,811
State Grants	145,797	-	1,278	147,075
Charges for Services	18,741	-	-	18,741
Interest and Rents	26,264	2,166	-	28,430
Other	<u>16,897</u>	<u>3,137</u>	<u>87,718</u>	<u>107,752</u>
Total	<u>663,866</u>	<u>249,087</u>	<u>114,482</u>	<u>1,027,435</u>
<u>Expenditures</u>				
Legislative	29,072	-	-	29,072
General Government	264,874	-	-	264,874
Public Safety	40,074	88,419	1,266	129,759
Public Works	128,717	-	34,879	163,596
Recreation and Cultural	153,346	-	95,916	249,262
Other	75,776	-	-	75,776
Capital Outlay	5,928	12,284	-	18,212
Debt Service	<u>2,590</u>	<u>12,567</u>	<u>9,056</u>	<u>24,213</u>
Total	<u>700,377</u>	<u>113,270</u>	<u>141,117</u>	<u>954,764</u>
<u>Excess Revenues (Expenditures) and Net Change in Fund Balances</u>	(36,511)	135,817	(26,635)	72,671
Fund Balance – Beginning of Year	<u>460,857</u>	<u>388,646</u>	<u>116,686</u>	<u>966,189</u>
Fund Balance – End of Year	<u>\$ 424,346</u>	<u>\$ 524,463</u>	<u>\$ 90,051</u>	<u>\$ 1,038,860</u>

See Accompanying Notes to Basic Financial Statements



# **Tobin & Co.**

Milton Township  
Reconciliation of the Statement of Revenues, Expenditures and  
Changes in Fund Balances of Governmental Activities  
For the Year Ended March 31, 2006

Net change in fund balances – total governmental funds	\$ 72,671
Governmental fund report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital assets and costs of intangible assets exceeded depreciation and amortization in the current period.	66,538
Revenues from special assessments are recognized as revenue in the government funds as collections occur. This is the amount recognized during the period.	(46,468)
Governmental funds defer property tax revenues received more than sixty days after the year end as unavailable financial resources for the fund financial statements. In the statement of activities they are not deferred. This is the change in the deferral during the year.	7,584
Repayment of note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount of repayment during the period.	<u>13,739</u>
Changes in net assets of governmental activities	<u>\$ 114,064</u>

See Accompanying Notes to Basic Financial Statements

# **Tobin & Co.**

Milton Township  
Statement of Fiduciary Net Assets  
March 31, 2006

Assets	<u>Agency Funds</u>
Cash and Investments	<u>\$ 30,725</u>
Total Assets	<u>30,725</u>
Liabilities	
Undistributed Taxes and Interest	<u>30,725</u>
Total Liabilities	<u>30,725</u>
Net Assets	<u>\$ -</u>

See Accompanying Notes to Basic Financial Statements

# Tobin & Co.

## Milton Township Notes to Financial Statements March 31, 2006

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Reporting Entity

Milton Township is a general law township located in Antrim County. Population as of the 2000 census was 2,072, and the current state equalized valuation and taxable value for taxable property is \$420,092,450 and \$233,446,727, respectfully.

The Township's basic financial statements include the accounts of all Township operations. The criteria for including organizations within the Township's reporting entity, as set forth in GASB No. 14, "*The Financial Reporting Entity*" includes oversight responsibility, fiscal dependency and whether the financial statements would be misleading if data were not included.

Based on the above criteria, there are no other organizations included in these financial statements.

#### B. Basis of Presentation

The government-wide financial statements (the statement of net assets and the statement of changes in net assets) report information on all of the activities of the Township. The effect of interfund activity, within the governmental activities column, has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

#### Fund Financial Statements:

The Township segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The Township has presented the following governmental funds:

General Fund – This fund is used to account for all financial transactions not accounted for in another fund, including the general operating expenditures of the Township. Revenues are derived primarily from property taxes, state distributions or grants, and other intergovernmental revenues.

Special Revenue Funds – These funds are used to account for specific governmental revenues (other than expendable trusts and major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

Permanent Funds – These funds are used to account for resources that are legally restricted to the extent that only the earnings, and not the principal, may be used for purposes that support the reporting government's programs.

#### Fiduciary Funds

These funds are used to account for assets held in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

# **Tobin & Co.**

Milton Township  
Notes to Financial Statements  
March 31, 2006

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **C. Measurement Focus/Basis of Accounting**

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net assets and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

Governmental fund and agency fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Township considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for recognition of all other Governmental Fund revenues. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

The revenue susceptible to accrual are property taxes, franchise fees, licenses, charges for service, interest income and intergovernmental revenues. All other governmental fund revenues are recognized when received.

### **D. Budgets**

The General Fund and Special Revenue Funds are under formal budgetary control. Budgets shown in the required supplementary schedules for these funds were prepared on a basis not significantly different from the modified accrual basis used to reflect actual results and consist only of those amounts contained in the formal budget approved and amended by the Township.

In the body of the financial statements and the required supplementary schedules, the Township's actual and budgeted expenditures for the budgetary funds have been shown on a functional basis. The approved budgets for these funds were adopted to the activity or cost center level.

For budgetary purposes appropriations lapse at fiscal year end.

### **E. Capital Assets**

Capital assets, which includes property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest is capitalized during the construction period on property, plant and equipment.

# Tobin & Co.

## Milton Township Notes to Financial Statements March 31, 2006

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### E. Capital Assets (Continued)

Assets capitalized have an original cost of \$1,000 or more and over one year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Land Improvements	10 – 20 years
Buildings and Improvements	25 – 40 years
Vehicles	5 – 10 years
Machinery and Equipment	5 – 10 years
Furniture and Equipment	3 – 10 years

#### F. Property Tax Procedures and Collections

Properties are assessed as of December 31 and the related property taxes become a lien the following July 1 and/or December 1. Real property taxes are collected by the Township Treasurer through February 28 of each year. As of March 1, uncollected real property taxes are returned delinquent to, and collected by, the County Treasurer. Personal property taxes remain the responsibility of the Township Treasurer to collect. It is the policy of the Township to record the real property taxes in the year of levy.

During the collection period prior to March 1, the Township Treasurer makes distribution of the property tax collections to the various taxing units (County, School District, etc.) as required by statute.

For the fiscal year the Township levied property taxes as follows:

	SEV	Taxable Value	Millage Rate
General Operating	\$420,092,450	\$233,446,727	.9740
Fire Protection	\$417,711,750	\$231,074,027	1.0000
Ambulance Service	\$420,092,450	\$233,446,727	.1796
Roads	\$420,092,450	\$233,446,727	.1527

#### G. Investments

At March 31, 2006, the Township had no investments.

#### H. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Fiduciary Fund Type and Non-expendable Trust Funds consider all highly liquid investments with a remaining maturity of three months or less when purchased to be cash equivalents.

# **Tobin & Co.**

Milton Township  
Notes to Financial Statements  
March 31, 2006

**NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

- A. We noted no violations of legal provisions and/or contractual provisions of various agreements related to financial matters.
- B. All funds had positive fund balances at March 31, 2006.
- C. Public Act 621 of 1978, Section 18, provides that a local unit shall not incur expenditures in excess of the amount appropriated. During the year ended March 31, 2006, expenditures in four cost centers exceeded budgets.

**NOTE 3 - DEPOSITS WITH FINANCIAL INSTITUTIONS**

A. Legal Provisions for Deposits and Investments

Act 20, Public Acts of 1943, as amended by Act 217, Public Acts of 1982, and Act 196, Public Acts of 1997, states that the Township, by resolution, may authorize the Treasurer to invest surplus funds as follows:

- (1) In bonds and other direct obligations of the United States or an agency or instrumentality of the United States.
- (2) In certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the Federal Deposit Insurance Corporation or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation or a credit union which is insured by the National Credit Union Administration, but only if the bank, savings and loan association, or credit union complies with subsection (2).
- (3) In commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and which matures not more than 270 days after date of purchase.
- (4) Repurchase agreements consisting of instruments defined in (1) above.
- (5) In bankers' acceptances of United States Banks.
- (6) Obligations of the State of Michigan or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than one standard rating service.
- (7) In mutual funds registered under the investment company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by local units of government in Michigan.

B. Types of Deposits and Investments

The Township had \$1,412,554 deposited with local financial institutions at March 31, 2006 with a carrying value of \$1,059,009. Interpreting the FDIC insurance coverage of \$100,000 of demand deposits and \$100,000 of time deposits per financial institution, the Township had \$1,212,554 of uninsured deposits at March 31, 2006.

# Tobin & Co.

## Milton Township Notes to Financial Statements March 31, 2006

### NOTE 4 - CAPITAL/INTANGIBLE ASSETS

	<u>3/31/05</u>	<u>Additions</u>	<u>Deletions</u>	<u>3/31/06</u>
Governmental Activities:				
Land and Improvements	\$ 344,523	\$ 44,095	\$ -	\$ 388,618
Buildings and Improvements	801,197	-	-	801,197
Machinery and Equipment	167,743	50,721	-	218,464
Office Furniture and Equipment	7,954	-	-	7,954
Vehicles	690,708	-	-	690,708
Intangible	<u>297,440</u>	<u>-</u>	<u>-</u>	<u>297,440</u>
Total	2,309,565	94,816	-	2,404,381
Less Accumulated Depreciation	<u>(778,167)</u>	<u>(83,931)</u>	<u>-</u>	<u>(862,098)</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,531,398</u>	<u>\$ 10,885</u>	<u>\$ -</u>	<u>\$ 1,542,283</u>
Intangible Assets:				
Roads	\$ 297,440	\$ 70,365	\$ -	\$ 367,805
Less Accumulated Depreciation	<u>(11,898)</u>	<u>(14,712)</u>	<u>-</u>	<u>(26,610)</u>
Intangible Assets, Net	<u>\$ 285,542</u>	<u>\$ 55,653</u>	<u>\$ -</u>	<u>\$ 341,195</u>

### NOTE 5 - LONG-TERM DEBT

A summary of long-term debt principal maturities and interest requirements is as follows:

<u>Year Ending</u>	<u>Weatherstop</u>	<u>Land Contract</u>	<u>Fire Hall</u>	<u>Total</u>
March 31, 2007	\$ 42,394	\$ 2,590	\$ 12,567	\$ 57,551
March 31, 2008	40,956	2,590	-	43,546
March 31, 2009	39,519	2,592	-	42,111
March 31, 2010	38,081	-	-	38,081
March 31, 2011	36,644	-	-	36,644
Thereafter	<u>232,452</u>	<u>-</u>	<u>-</u>	<u>232,452</u>
Total	430,046	7,772	12,567	450,385
Less Interest	<u>115,046</u>	<u>726</u>	<u>489</u>	<u>116,261</u>
	<u>\$ 315,000</u>	<u>\$ 7,046</u>	<u>\$ 12,078</u>	<u>\$ 334,124</u>

### NOTE 6 - LOANS AND TRANSFERS BETWEEN FUNDS

There were no inter-fund loans, advances or transfers during the audit year.

### NOTE 7 - INVENTORIES

Milton Township does not maintain a substantial inventory of supplies or materials. Purchases are normally made as needed, and the items are recorded as expenses when purchased.

# **Tobin & Co.**

## Milton Township Notes to Financial Statements March 31, 2006

### NOTE 8 - RETIREMENT PLAN

The Township participates in a defined pension plan for Michigan Township employees through Manufacturers Life Insurance Company. Listed below is a summary of the significant plan provisions as amended by Board resolution effective June 1, 2002:

#### A. Eligibility Requirements

1. Attained age of 18.
2. No minimum service requirement.
3. All elected officials and full-time employees, except firemen and seasonal employees.

#### B. Contributions

1. 10% of annual compensation is funded annually.
2. Compensation determined by the basic annual rate of compensation in effect at the beginning of the plan year.
3. Township pays 100% of required annual contribution.

#### C. Vesting

1. Contributions are vested to the employee immediately upon entering the plan..

#### D. Plan Administration

1. The plan is administered by the Township Supervisor and Clerk. During the year ended March 31, 2006, the total Township contribution for the plan year, June 1, 2005 to May 31, 2006 was \$16,551. Covered payroll for the year was \$165,510 with total payroll of \$214,189 for all employees. The plan was funded at the required contribution amount.

### NOTE 9 - ACCOUNTS/TAXES RECEIVABLE

Delinquent taxes receivable of \$21,491 in the General Fund and \$13,975 in the Special Revenue Funds, represent 2005 real property tax and property tax administration fees returned delinquent to the County Treasurer for collection as of March 1, 2006.

### NOTE 10 - PROPERTY TAX ADMINISTRATION FEES

As permitted by statute, the Township levied a 1% administration fee on all 2005 property taxes. This fee may be used only to offset such property tax administration expenses as assessing, collecting, and the review and appeal process. Fee expenditures exceeded collections for the year by \$52,030, and at March 31, 2006 accumulated fee expenditures exceeded collections by \$94,066.

### NOTE 11 - CONTINGENT LIABILITIES

Township officials are aware of no contingent liabilities as of March 31, 2006.

### NOTE 12- RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the audit year the Township addressed these risks through the purchase of commercial insurance through Municipal Underwriters of Michigan. There was no significant reduction of insurance coverage from prior years nor have the amounts of any settlements exceeded insurance coverage in any of the past three fiscal years.

### NOTE 13- COMPENSATED ABSENCES

The Township provides no compensated absences.

### NOTE 14- PRIOR PERIOD ADJUSTMENT

Intangible assets were not reported as assets at March 31, 2005 on the Statement of Net Assets. The net assets at March 31, 2005 have been restated to properly reflect the intangible asset balance at that date.



SUPPLEMENTAL DATA SECTION

# Tobin & Co.

Milton Township  
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
General Fund  
For the Year Ended March 31, 2006

Schedule 1  
Page 1

	<u>Budgetary Amounts</u>			Variance
<u>Revenues</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
Taxes:				
Current Taxes	\$ 213,375	\$ 213,375	\$ 230,114	\$ 16,739
Delinquent Taxes	14,101	14,101	12,237	(1,864)
Roads	35,605	35,605	37,620	2,015
Ambulance	41,880	41,880	44,249	2,369
Library	104,954	104,954	110,737	5,783
Property Tax Administration Fees	67,726	67,726	15,885	(51,841)
Licenses and Fees	4,000	4,000	5,325	1,325
State Grants:				
State Shared Revenues	143,376	143,376	139,939	(3,437)
Metro Act	-	-	5,858	5,858
Charges for Services	6,200	6,200	7,165	965
Summer Tax Collection Fee	10,410	10,410	11,576	1,166
Cable TV Franchise Fees	25,000	25,000	-	(25,000)
Interest and Rents:				
Earned Interest	14,000	14,000	25,114	11,114
Rents and Royalties	4,570	4,570	1,150	(3,420)
Other:				
Miscellaneous	<u>42,500</u>	<u>42,500</u>	<u>16,897</u>	<u>(25,603)</u>
Total Revenues	<u>727,697</u>	<u>727,697</u>	<u>663,866</u>	<u>(63,831)</u>
<u>Expenditures</u>				
Legislative:				
Township Board:				
Salaries and Wages	-	-	4,875	-
Legal and Audit	-	-	15,122	-
Office Supplies	-	-	1,460	-
Dues	-	-	3,786	-
Mileage and Travel	-	-	42	-
Printing and Publishing	-	-	1,718	-
Education and Training	-	-	122	-
Other Expenses	<u>-</u>	<u>-</u>	<u>1,947</u>	<u>-</u>
Total	<u>26,100</u>	<u>26,100</u>	<u>29,072</u>	<u>(2,972)</u>
Total Legislative	<u>26,100</u>	<u>26,100</u>	<u>29,072</u>	<u>(2,972)</u>
General Government:				
Township Supervisor:				
Salaries and Wages	-	-	20,540	-
Supplies	-	-	233	-
Education and Other	<u>-</u>	<u>-</u>	<u>50</u>	<u>-</u>
Total	<u>22,406</u>	<u>22,406</u>	<u>20,823</u>	<u>1,583</u>
Elections:				
Salaries and Wages	-	-	662	-
Office Supplies	-	-	315	-
Miscellaneous	<u>-</u>	<u>-</u>	<u>66</u>	<u>-</u>
Total	<u>2,700</u>	<u>2,700</u>	<u>1,043</u>	<u>1,657</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

# Tobin & Co.

Milton Township  
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
General Fund  
For the Year Ended March 31, 2006

Schedule I  
Page 2

	<u>Budgetary Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Expenditures (Continued)</u>				
General Government (Continued):				
Assessor:				
Contracted Services	-	-	30,000	-
Supplies	-	-	218	-
Computer Services	-	-	4,748	-
Total	<u>35,450</u>	<u>35,450</u>	<u>34,966</u>	<u>484</u>
Clerk:				
Salaries and Wages	-	-	18,486	-
Salary - Deputy	-	-	4,658	-
Contracted Services	-	-	1,073	-
Office Supplies	-	-	397	-
Education	-	-	65	-
Miscellaneous	-	-	4,829	-
Total	<u>27,540</u>	<u>27,540</u>	<u>29,508</u>	<u>(1,968)</u>
Board of Review:				
Salaries and Wages	-	-	1,000	-
Printing and Publishing	-	-	101	-
Miscellaneous	-	-	208	-
Total	<u>1,500</u>	<u>1,500</u>	<u>1,309</u>	<u>191</u>
Treasurer:				
Salaries and Wages	-	-	24,545	-
Salary – Deputy	-	-	1,515	-
Office Supplies	-	-	2,745	-
Computer Services	-	-	3,163	-
Education	-	-	90	-
Travel	-	-	120	-
Total	<u>32,631</u>	<u>32,631</u>	<u>32,178</u>	<u>453</u>
Township Hall and Grounds:				
Salaries and Wages	-	-	4,150	-
Office Supplies	-	-	7,420	-
Telephone	-	-	3,081	-
Utilities	-	-	5,870	-
Maintenance and Repairs	-	-	9,003	-
Total	<u>32,750</u>	<u>32,750</u>	<u>29,524</u>	<u>3,226</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

# Tobin & Co.

Milton Township  
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
General Fund  
For the Year Ended March 31, 2006

Schedule 1  
Page 3

	<u>Budgetary Amounts</u>		<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
<u>Expenditures (Continued)</u>	<u>Original</u>	<u>Final</u>		
General Government (Continued):				
Planning and Zoning:				
Salaries and Wages	-	-	53,840	-
Office Supplies	-	-	602	-
Legal	-	-	38,145	-
Contracted Services	-	-	7,935	-
Printing and Publishing	-	-	1,820	-
Education	-	-	3,589	-
Miscellaneous	-	-	962	-
Total	<u>120,750</u>	<u>120,750</u>	<u>106,893</u>	<u>13,857</u>
Cemetery:				
Salaries and Wages	-	-	3,300	-
Supplies	-	-	218	-
Utilities	-	-	28	-
Maintenance and Repairs	-	-	5,032	-
Miscellaneous	-	-	52	-
Total	<u>6,800</u>	<u>6,800</u>	<u>8,630</u>	<u>(1,830)</u>
Total General Government	<u>282,527</u>	<u>282,527</u>	<u>264,874</u>	<u>17,653</u>
Public Safety:				
Fire and Ambulance:				
Contracted Services – Ambulance	<u>41,879</u>	<u>41,879</u>	<u>40,074</u>	<u>1,805</u>
Total Public Safety	<u>41,879</u>	<u>41,879</u>	<u>40,074</u>	<u>1,805</u>
Public Works:				
Roads	43,570	43,570	109,150	(65,580)
Street Lights	2,500	2,500	1,863	637
Trash Disposal	<u>38,000</u>	<u>38,000</u>	<u>17,704</u>	<u>20,296</u>
Total Public Works	<u>84,070</u>	<u>84,070</u>	<u>128,717</u>	<u>(44,647)</u>
Recreation and Culture:				
Parks and Accesses:				
Salaries and Wages	-	-	16,350	-
Supplies	-	-	1,914	-
Repair and Maintenance	-	-	24,345	-
Total Parks and Accesses	<u>52,720</u>	<u>52,720</u>	<u>42,609</u>	<u>10,111</u>
Library	<u>104,954</u>	<u>104,954</u>	<u>110,737</u>	<u>(5,783)</u>
Total Recreation and Culture	<u>157,674</u>	<u>157,674</u>	<u>153,346</u>	<u>4,328</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

# Tobin & Co.

Milton Township  
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
General Fund  
For the Year Ended March 31, 2006

Schedule I  
Page 4

	<u>Budgetary Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Expenditures (Continued)</u>	<u>Original</u>	<u>Final</u>		
Other:				
Payroll Taxes and Fringe Benefits	83,120	92,545	61,589	30,956
Insurance	53,120	53,120	14,187	38,933
Debt Service	6,700	6,700	2,590	4,110
Capital Outlay	34,600	34,600	5,928	28,672
Contingency	<u>20,000</u>	<u>10,575</u>	<u>-</u>	<u>10,575</u>
Total Other	<u>197,540</u>	<u>197,540</u>	<u>84,294</u>	<u>113,246</u>
Total Expenditures	<u>789,790</u>	<u>789,790</u>	<u>700,377</u>	<u>89,413</u>
Excess Revenues (Expenditures)	(1) <u>\$ (62,093)</u>	<u>\$ (62,093)</u>	(36,511)	<u>\$ 25,582</u>
Fund Balance – Beginning of Year			<u>460,857</u>	
Fund Balance – End of Year			<u>\$ 424,346</u>	
(1) Budgeted from Fund Balance				

The Notes to the Basic Financial Statements are an integral part of this statement.

# Tobin & Co.

Milton Township  
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
Fire Fund  
For the Year Ended March 31, 2006

Schedule 2

	<u>Budgetary Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Taxes:				
Current Taxes	\$ 202,109	\$ 202,109	\$ 230,870	\$ 28,761
Delinquent Taxes	12,900	12,900	12,914	14
Interest and Rents:				
Earned Interest	5,000	5,000	2,166	(2,834)
Other:				
Donations and Miscellaneous	-	-	3,137	3,137
Total Revenues	<u>220,009</u>	<u>220,009</u>	<u>249,087</u>	<u>29,078</u>
<u>Expenditures</u>				
Salaries and Wages	33,000	38,300	32,940	5,360
Payroll Taxes	2,600	2,600	2,551	49
Supplies – Including Medical	8,000	8,500	5,724	2,776
Professional Services	4,500	4,500	3,395	1,105
Building and Grounds	2,000	2,000	-	2,000
Telephone	1,700	1,700	1,501	199
Memberships and Dues	600	600	535	65
Insurance	11,500	11,500	11,488	12
Utilities	8,300	8,300	8,369	(69)
Maintenance and Repairs	12,000	12,000	7,405	4,595
Education	5,500	5,500	3,227	2,273
Miscellaneous	15,200	15,200	10,984	4,216
Capital Outlay	93,500	93,500	12,284	81,216
Debt Service Payments	12,600	12,600	12,567	33
Contingency	<u>10,000</u>	<u>4,200</u>	<u>300</u>	<u>3,900</u>
Total Expenditures	<u>221,000</u>	<u>221,000</u>	<u>113,270</u>	<u>107,730</u>
Excess Revenues (Expenditures)	(1) \$ <u>(991)</u>	\$ <u>(991)</u>	135,817	\$ <u>136,808</u>
Fund Balance – Beginning of Year			<u>388,646</u>	
Fund Balance – End of Year			<u>\$ 524,463</u>	
(1) Budgeted from Fund Balance				

The Notes to the Basic Financial statements are an integral part of this statement.

# Tobin & Co.

Milton Township  
Combining Balance Sheet  
Non-Major Governmental Funds  
March 31, 2006

Schedule 3

<u>Assets</u>	<u>Special Revenues</u>				<u>Total</u>
	<u>Parks</u>	<u>Liquor Law Enforcement</u>	<u>Farmland Preservation</u>	<u>Weathertop</u>	
Cash and Cash Equivalents	\$ 11,129	\$ 6,547	\$ 3,266	\$ 69,109	\$ 90,051
Special Assessment Receivable:					
Current	-	-	-	22,333	22,333
Deferred	-	-	-	248,073	248,073
Total Assets	<u>\$ 11,129</u>	<u>\$ 6,547</u>	<u>\$ 3,266</u>	<u>\$ 339,515</u>	<u>\$ 360,457</u>
 <u>Liabilities and Fund Equity</u>					
Liabilities:					
Deferred Revenue – Special Assessment	\$ -	\$ -	\$ -	\$ 270,406	\$ 270,406
Total	-	-	-	270,406	270,406
Fund Equity:					
Fund Balance – Unreserved	11,129	6,547	3,266	69,109	90,051
Total	11,129	6,547	3,266	69,109	90,051
Total Liabilities and Fund Balance	<u>\$ 11,129</u>	<u>\$ 6,547</u>	<u>\$ 3,266</u>	<u>\$ 339,515</u>	<u>\$ 360,457</u>

The Notes to the Basic Financial statements are an integral part of this statement.

# Tobin & Co.

Milton Township  
Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Non-Major Governmental Funds  
March 31, 2006

Schedule 4

<u>Revenues</u>	<u>Special Revenues</u>				<u>Total</u>
	<u>Parks</u>	<u>Liquor Law Enforcement</u>	<u>Farmland Preservation</u>	<u>Weathertop</u>	
Licenses and Permits – Cable Fees	\$ 25,486	\$ -	\$ -	\$ -	\$ 25,486
Grants	-	1,278	-	-	1,278
Earned Interest	-	-	-	-	-
Special Assessment	-	-	-	46,468	46,468
Contributions and Miscellaneous	<u>38,250</u>	<u>-</u>	<u>3,000</u>	<u>-</u>	<u>41,250</u>
Total	<u>63,736</u>	<u>1,278</u>	<u>3,000</u>	<u>46,468</u>	<u>114,482</u>
<u>Expenditures</u>					
Public Safety	-	1,266	-	-	1,266
Public Works	-	-	22,119	12,760	34,879
Recreation and Culture	95,916	-	-	-	95,916
Debt Service	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,056</u>	<u>9,056</u>
Total	<u>95,916</u>	<u>1,266</u>	<u>22,119</u>	<u>21,816</u>	<u>141,117</u>
<u>Excess Revenues (Expenditures)</u>	(32,180)	12	(19,119)	24,652	(26,635)
Fund Balance – Beginning of Year	<u>43,309</u>	<u>6,535</u>	<u>22,385</u>	<u>44,457</u>	<u>116,686</u>
Fund Balance – End of Year	<u>\$ 11,129</u>	<u>\$ 6,547</u>	<u>\$ 3,266</u>	<u>\$ 69,109</u>	<u>\$ 90,051</u>

The Notes to the Basic Financial statements are an integral part of this statement.



# Tobin & Co.

Milton Township  
Statement of Changes in Assets and Liabilities  
Current Tax Collection Fund  
For the Year Ended March 31, 2006

Schedule 5

	Balance 3/31/05	Additions	Deductions	Balance 3/31/06
<u>Assets</u>				
Cash	\$ 14,749	\$ 7,051,055	\$ 7,035,079	\$ 30,725
Total Assets	\$ 14,749	\$ 7,051,055	\$ 7,035,079	\$ 30,725
 <u>Liabilities</u>				
Undistributed Taxes and Interest	\$ 14,749	\$ 7,051,055	\$ 7,035,079	\$ 30,725
Total Liabilities	\$ 14,749	\$ 7,051,055	\$ 7,035,079	\$ 30,725

The Notes to the Basic Financial statements are an integral part of this statement.

# Tobin & Co.

## Milton Township 2005 Property Tax Levy and Collections For the Year Ended March 31, 2006

Schedule 6

	<u>Millage Rate</u>	<u>Adjusted Levy</u>	<u>Collected</u>	<u>Returned Delinquent</u>
County Tax	5.2866	\$ 1,232,983	\$ 1,166,623	\$ 66,360
Commission on Aging	0.3916	91,320	85,781	5,539
Medical Care Facility	0.7051	164,439	154,464	9,975
School District Tax	20.5200	2,764,895	2,650,535	114,360
State Education	6.0000	1,399,389	1,343,220	56,169
Intermediate School District	2.9589	690,086	662,386	27,700
District Library	0.4500	104,941	98,575	6,366
Township Taxes				
- General	0.9740	227,156	213,376	13,780
- Fire Protection	1.0000	230,870	216,895	13,975
- Ambulance	0.1796	41,875	39,335	2,540
- Roads	0.1527	35,601	33,441	2,160
- Property Tax Administration Fee		<u>67,500</u>	<u>64,489</u>	<u>3,011</u>
Total		<u>\$ 7,051,055</u>	<u>\$ 6,729,120</u>	<u>\$ 321,935</u>
Percent of Levy Collected	95.43%			
State Equalized Value		\$420,092,450		
Taxable Value		\$233,446,727		

The Notes to the Basic Financial Statements are an integral part of this statement.

# Tobin & Co.

Milton Township  
Statement of Revenues, Expenditures and Balance  
Property Tax Administration Fees  
For the Year Ended March 31, 2006

Schedule 7

## Revenues

Property Tax Administration Fees	\$ 15,885
Total Revenues	<u>15,885</u>

## Expenditures

Assessor (100%)	34,966
Board of Review (100%)	1,309
Treasurer – (75% of salary plus Deputy salary)	19,924
Supervisor (15%)	3,123
Clerk (5%)	1,475
Postage and Supplies	2,745
Contract Services (100%)	3,163
Travel (75%)	120
Education (75%)	90
Insurance, Utilities and Use of Building	<u>1,000</u>
Total	<u>67,915</u>
Excess Revenues (Expenditures)	(52,030)
Excess Revenues (Expenditures) – Prior Years	<u>(42,036)</u>
Accumulated Excess Revenues (Expenditures)	<u>\$ (94,066)</u>

The Notes to the Financial Statements are an integral part of this statement.